

189920



December 14, 2007

2006-286-EG

Mr. Charles Terreni  
Chief Clerk & Administrator  
The Public Service Commission of South Carolina  
Post Office Drawer 116489  
Columbia, South Carolina 29211

RECEIVED  
2007 DEC 14 PM 4:12  
SC PUBLIC SERVICE  
COMMISSION

Dear Mr. Terreni:

Attached is a copy of the CEO's certification and the Quarterly Reports for South Carolina Electric & Gas Company, Gas Distribution Operations, for the twelve months ended September 30, 2007. The CFO is out of the office and will sign his Certification upon his returning. It will be forwarded to you as soon as it is signed.

Sincerely,

Kenneth R. Jackson

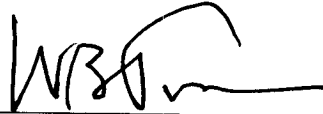
CW

Attachments

cc: John Flitter (ORS)  
Jay Jashinsky (ORS)

## CERTIFICATION

I, William B. Timmerman, state and attest, under penalty of perjury, that the attached Quarterly Report of Gas Distribution Operations is filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



\_\_\_\_\_  
Signature of Chief Executive Officer

William B. Timmerman


\_\_\_\_\_  
Typed or Printed Name of Person Signing

Chairman of the Board, Chief Executive Officer  
Title

December 14, 2007

\_\_\_\_\_  
Date Signed

Subscribed and Sworn to me on this 14th of December,  
2007.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: My Commission Expires June 28, 2009

RECEIVED  
2007 DEC 14 PM 4:12  
SC PUBLIC SERVICE  
COMMISSION

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**TOTAL GAS DISTRIBUTION - OPERATING EXPERIENCE**  
**12 MONTHS ENDED**  
**September, 2007**

<u>DESCRIPTION</u>	<u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u>	<u>ACCOUNTING &amp; PRO FORMA ADJUSTMENTS</u>	<u>TOTAL AS ADJUSTED</u>
	<u>COL. A</u>	<u>COL. B</u>	<u>COL. C</u>
	\$	\$	\$
<u>OPERATING REVENUES</u>	<u>526,482,164</u>	<u>6,239,624</u>	<u>532,721,788</u>
<u>OPERATING EXPENSES</u>			
Cost of Gas	396,912,611		396,912,611
Other O&M Expenses	59,345,082	(603,750)	58,741,332
Deprec. & Amort. Expenses	18,971,833	2,282,421	21,254,254
Taxes Other Than Income	12,652,659	2,626,062	15,278,721
Income Taxes	10,790,573	767,985	11,558,558
Total Operating Expenses	498,672,759	5,072,717	503,745,476
Operating Return	27,809,405	1,166,907	28,976,312
Customer Growth	577,754	24,243	601,997
Int. on Cust. Deposits Net	(136,377)		(136,377)
Total Income For Return	<u>28,250,782</u>	<u>1,191,150</u>	<u>29,441,932</u>
<u>ORIGINAL COST RATE BASE</u>			
Gross Plant in Service	662,004,025	21,771	662,025,796
Reserve for Depre.	273,025,920	1,843,491	274,869,411
Net Plant	388,978,105	(1,821,720)	387,156,385
CWIP	11,522,584	(793,012)	10,729,572
Accum. Def. Income Taxes	(56,247,335)	0	(56,247,335)
Net Deferred Debits / Credits	(7,344,405)	(8,802)	(7,353,207)
Materials & Supplies	50,821,318	0	50,821,318
Working Capital	(9,532,840)	(75,469)	(9,608,309)
Total Original Cost Rate Base	<u>378,197,427</u>	<u>(2,699,003)</u>	<u>375,498,424</u>
RATE OF RETURN	7.47%		7.84%
RETURN ON EQUITY	8.54%		9.23%

SUPPLEMENTAL  
SCHEDULE  
TO EXHIBIT A

SOUTH CAROLINA ELECTRIC AND GAS COMPANY  
GAS ANNUALIZED INTEREST EXPENSE  
12 MONTHS ENDED  
September, 2007

RATE BASE		\$378,197,427
LONG-TERM DEBT RATIO		<u>0.4357</u>
		\$164,785,476
AVERAGE COST OF DEBT		<u>0.0620</u>
ANNUALIZED INTEREST		\$10,216,700
TAX BOOK INTEREST		\$9,857,831
INTEREST ADJUSTMENT		<u>\$358,869</u>
ADJUSTMENT TO INCOME TAXES:		
STATE INCOME TAX	<u>(\$17,943)</u>	
FEDERAL INCOME TAX	<u>(\$119,324)</u>	
TOTAL INCOME TAX EFFECT		<u>(\$137,267)</u>

**SUPPLEMENTAL  
SCHEDULE  
TO EXHIBIT A**

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
RATE BASE DETAIL TOTAL GAS OPERATIONS  
12 MONTHS ENDED  
September, 2007**

<b><u>NET DEFERRED DEBITS/CREDITS</u></b>	<b>PER BOOKS ADJ. FOR REGULATORY ORDERS</b>	<b>ACCOUNTING &amp; PRO FORMA ADJUSTMENTS</b>	<b>TOTAL AS ADJUSTED</b>
	\$	\$	\$
ENVIRONMENTAL	1,220,864	0	1,220,864
PROPANE AIR PLANTS	1,896,427	(15,367)	1,881,060
FSB 106 RATE BASE REDUCTION	(10,461,696)	6,565	(10,455,131)
TOTAL	<u>(7,344,405)</u>	<u>(8,802)</u>	<u>(7,353,207)</u>
<b><u>MATERIALS &amp; SUPPLIES</u></b>			
NATURAL GAS STORAGE	49,458,519	0	49,458,519
OTHER M&S	1,362,799	0	1,362,799
TOTAL	<u>50,821,318</u>	<u>0</u>	<u>50,821,318</u>
<b><u>WORKING CAPITAL</u></b>			
WORKING CASH	7,418,135	(75,469)	7,342,667
PREPAYMENTS	(1,498,716)	0	(1,498,716)
CUSTOMER DEPOSITS	(7,217,841)	0	(7,217,841)
AVERAGE TAX ACCRUALS	(7,682,793)	0	(7,682,793)
INJURIES & DAMAGES	(551,625)	0	(551,625)
TOTAL WORKING CAPITAL	<u>(9,532,840)</u>	<u>(75,469)</u>	<u>(9,608,309)</u>

SUPPLEMENTAL SCHEDULE  
TO EXHIBIT A

ADJ #	DESCRIPTION	REVENUE	O&M EXPENSE	DEPREC & AMORT EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5.0%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM DEPRE	CWIP	OPEB'S	REGULATORY ASSET	WORKING CAPITAL
1	ADJUST LATERAL CUSTOMER REVENUE FOR TARIFF RATES	568,260			2,957	28,265	187,963						-
2	ANNUALIZE WAGES, BENEFITS AND PAYROLL TAXES		331,421		23,478	(17,745)	(118,004)						41,428
3	NORMALIZE INCENTIVE COMPENSATION		(668,039)		(50,672)	35,936	238,971						(83,505)
4	ANNUALIZE PENSION		(78,478)			3,924	26,094						(9,810)
5	ANNUALIZE OTHER POST- EMPLOYEE BENEFITS		(10,632)			532	3,535				6,565		(1,329)
6	REMOVE UNCOLLECTIBLE GAS COST EXPENSE		(455,129)			22,756	151,330						(56,891)
7	REMOVE EMPLOYEE CLUBS RECOGNIZE PROPERTY RETIREMENTS, DEPRECIATION RESERVES		(66,963)	(16,331)		4,165	27,695	(440,148)	(109,139)	(338)			(8,370)
8	RECOGNIZE PROPERTY ADDITIONS, PLANT IN SERVICE					-	-	(330,755)	(330,755)				-
9	ANNUALIZE DEPRECIATION- ADJUST RESERVE			2,194,251		-	-	792,674		(792,674)			-
10	ANNUALIZE PROPERTY TAXES				2,620,785	(109,713)	(729,588)		2,194,251				-
11	ANNUALIZE AMORTIZATION EXPENSE FOR REGULATORY ASSET - PROPANE AIR PLANT					(131,039)	(871,411)						-
12				15,367		(768)	(5,110)					(15,367)	-
13	ANNUALIZE LNG ASSETS - INCREASE EXPENSE		193,233	89,134		(14,118)	(93,887)		89,134				24,154
14	ANNUALIZE APPROVED REVENUE INCREASE - 2006 & 2007 RSA PROCEEDINGS	5,671,364			29,514	282,093	1,875,915						-
15	ANNUALIZE POSTAGE INCREASE					(1,190)	(7,912)						2,974
16	HEALTH CARE TAX EFFECT OF ANNUALIZED		23,795 127,042			(6,352)	(42,241)						15,880
17	INTEREST					3,646	24,243						-
	<b>TOTAL ADJUSTMENTS</b>	<b>6,239,624</b>	<b>(603,750)</b>	<b>2,282,421</b>	<b>2,626,062</b>	<b>100,390</b>	<b>667,594</b>	<b>21,771</b>	<b>1,843,491</b>	<b>(793,012)</b>	<b>6,565</b>	<b>(15,367)</b>	<b>(75,469)</b>

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
WEIGHTED COST OF CAPITAL**

	AMOUNT PER BOOKS Sep-07 (COL. 1)	CAPITALIZATION RATIO (COL. 2) %	COST OF DEBT RETURN ON EQUITY (COL. 3) %	WEIGHTED COST OF CAPITAL (COL. 4) %
LONG-TERM DEBT	2,096,488,400	43.57%		
PREFERRED STOCK	114,158,800	2.37%	6.20%	2.70%
COMMON EQUITY	2,600,981,452	54.06%	6.42%	0.15%
TOTAL	<u>4,811,628,652</u>	<u>100.00%</u>	9.23%	<u>4.99%</u>
				<u>7.84%</u>

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY  
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

**TWELVE MONTHS ENDED September 30, 2007**

NET INCOME AFTER DIV. OF PREF. STOCK	\$222,210,089
EARNINGS PER SHARE	\$1.91
AVG. NUMBER OF SHARES OUTSTANDING	116,637,287



**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**RATIO OF EARNINGS TO FIXED CHARGES <sup>1</sup>**  
**TWELVE MONTHS ENDED September 30, 2007**

LINE NO.		<u>\$000's</u>
1	EARNINGS	
2	Net Income	319,636
3	Losses from Equity Investees	20,965
4	Total Fixed Charges, As Below	<u>147,131</u>
5	TOTAL EARNINGS	<u>487,732</u>
6	FIXED CHARGES	
7	Interest on Long-Term Debt	117,453
8	Other Interest	21,230
9	Amort. Of Debt Prem. - Discount & Exp. (Net)	3,412
10	Rental Int. Portion	5,036
11	Distribution on Trust Preferred	<u>-</u>
12	TOTAL FIXED CHARGES	147,131
13	Pre-tax earnings required to pay Preference Security Dividend	<u>11,758</u>
14	<b>Total Fixed Charges and Preference Security Dividend</b>	<u>158,889</u>
15	RATIO OF EARNINGS TO FIXED CHARGES	3.07
16	<sup>1</sup> - SEC COVERAGE	

RECEIVED  
2007 DEC 14 PM 4:13  
SC PUBLIC SERVICE  
COMMISSION